

CITY OF DETROIT'S PLANNING & DEVELOPMENT DEPARTMENT

REQUEST FOR PROPOSALS

RFP Pick-up:

**Monday, November 9, 2009
9:00 a.m.**

RFP Submission Due Date:

**Friday, December 11, 2009
3:00 p.m.**

Notice of Non-Discrimination: The City of Detroit does not discriminate on the basis of race, color, creed, national origin, age, handicap, sex or sexual orientation. Complaints may be filed with the Detroit Human Rights Department, 1026 Coleman A. Young Municipal Center, Detroit, Michigan 48226.



Request for Proposal - “City of Detroit Bundled Structures”

SECTION I - INTRODUCTION:

The City of Detroit's Planning & Development Department (P&DD) is seeking proposals from qualified Real Estate Developer(s) for the purchase and rehabilitation of City-owned structures. These vacant structures include a total of **two hundred fifty (250) residential** and **fifteen (15) commercial** properties, which are generally located throughout the City of Detroit and will be sold in “bundles” or groups of ten (10) to twenty-five (25) properties.

The intent of this Request for Proposals is to select experienced Real Estate Developer(s) who possess the experience and financial capability to undertake this initiative. Potential respondents shall submit proposals that must include residential and/or commercial real estate rehabilitation experience and the financial capacity to undertake each real estate bundle. Prospective developers will be allowed to submit multiple proposals to purchase and redevelop bundles as listed by P&DD. **All offers must include a ten percent (10%) “Good Faith” deposit that will be refunded should the respondents’ offer be deemed unsuccessful by P&DD. Also, please be advised that each successful respondent will be responsible for purchasing title work for all property to be obtained from P&DD.**

Respondents may demonstrate their ability to rehabilitate each real estate bundle group as follows:

1. Demonstrate two or more years of Residential Rehabilitation experience;
2. Firm financial commitment from private and/or public lenders in the form of letter of credit or company financial statement,
3. Incorporate Green Building Standards in the Rehabilitation of the properties;
4. Evidence of marketing/management strategy; and
5. Demonstrate the ability to sell/rent properties and put them back into productive use.

SECTION II - PROPERTIES DESCRIPTION:

P&DD has a total of **Two Hundred Sixty-Five (265) structures** that will be sold in bundles of ten (10) to twenty (25) structures (**see attached list**). These properties are primarily vacant residential structures and some commercial structures, which are grouped in accordance to geographic proximity. Each structure will be sold by P&DD via Quit Claim Deed.

All RFP responses must be submitted in a sealed envelope (one proposal per Bundle) anytime prior to 3:00 p.m. on the Submission Response Due Date, but not later than Friday, December 11, 2009, to:

**City of Detroit, Planning and Development Department
Real Estate Development Division
65 Cadillac Square, 20th Floor
Detroit, MI 48226**

*RFP responses received after the 3:00 p.m. deadline will not be considered. The applicant bears full responsibility for timely submission of proposals. No extensions will be granted.

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SECTION III - POSSIBLE FINANCIAL/TAX INCENTIVES:

Prospective purchasers may benefit if the structure is located within a Neighborhood Enterprise Zone (NEZ) Homestead District. Under an NEZ, the certificate holder will pay a reduced property tax known as the Neighborhood Enterprise Zone Taxable Rate. If the subject property is owner-occupied and located within a designated Neighborhood Enterprise Zone, purchasers could apply for this incentive. For more information and to determine if a property is located within one of the tax abatement zones, please contact the City of Detroit Assessment Division at (313) 224-3011 or access the following website:

<http://www.ci.detroit.mi.us/Departments/Finance/Assessment/NeighborhoodEnterpriseZoneHomesteadDistricts/tabid/1531/Default.aspx>

SECTION IV - PROPOSAL SUBMITTAL PROCEDURES:

The prospective purchaser(s) or their representative with an original notarized power of attorney must submit proposals.

- É **ALL proposals must contain a VALID HOME STREET ADDRESS. NO P.O. BOX ADDRESSES WILL BE ACCEPTED.**
- **A deposit of 10% of the bid amount is required for all the properties by cashiers check or money order which is payable to the *Treasurer, City of Detroit*.**
- É **Failure to remit required deposits will result in disqualification of submitted bids.**
- É **The Buildings and Safety Engineering Inspection Fee, for (Single-Family) \$295.00 or (Two-Family) \$355.00 residential property must be submitted at closing in a separate cashiers check or money order which is payable to the *City of Detroit Buildings and Safety Engineering Department* for each property.**
- **In case of sale cancellations, the above Pre-Sale Inspection Fee will be assessed a service charge by the City of Detroit Buildings and Safety Engineering Department.**
- **Proposals must be submitted in a sealed envelope. ONLY ONE PROPOSAL PER ENVELOPE.**

Deposits will be held until the Planning & Development Department makes a determination as to the acceptance or the rejection of all proposals.

Please note: Deposits will not be returned in the event the prospective purchasers(s) fail to proceed with the purchase.

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TERMS OF SALE:

PURCHASER (S) ARE PROHIBITED FROM ENTERING ANY CITY OWNED PROPERTY WITHOUT ISSUANCE OF A DEED OR WRITTEN PERMISSION FROM THE CITY OF DETROIT.

OCCUPIED PROPERTY WILL BE SOLD ON AN “AS IS” BASIS. THEY WILL NOT BE AVAILABLE FOR “OPEN INSPECTION”. PURCHASER (S) WILL NOT HAVE ACCESS TO THE PROPERTY PRIOR TO OWNERSHIP. ALL APPLICABLE FEDERAL, STATE, LOCAL STATUTES AND LAWS MUST BE FOLLOWED IN REGARDS TO THE EVICTION PROCESS.

É **Cash “AS IS”; Properties are subject to correction of code violations.**

É Full payment for all properties listed and Deed Recording fees are due at closing.

- Properties located in “**Historically designated areas**” require that all exterior work must meet historic standards and **must be approved** by the Detroit Historic District Commission. For more information call (313) 224-6536 or visit the City of Detroit web site at **www.detroitmi.gov/historic**.

É **Development restrictions may apply.** After a determination has been made based on your proposed use, you will be notified of any further steps you must take in order to successfully obtain the property.

É **The City of Detroit makes no warranty or representation as to the marketability of the title on any property. Purchasers are strongly urged to obtain a title commitment at their own expense.**

É **The purchaser is responsible for all costs associated with replacing the “Water Lead Service Line” from the structure to the main with Copper Piping as required by the Water & Sewerage Department (DWSD), if applicable.**

É The purchaser is required to close on the successfully bided property within **forty-five (45) working days**. If the closing has not taken place by that deadline or the one specified in the successful bidder notification letter, **the sale of the property will be cancelled and all monies will be forfeited.**

É Rental properties must be registered with the Buildings and Safety Engineering Department.

É Any Quit Claim Deed issued as a result of this offering will include a reversionary clause, reinvesting interest to the City of Detroit without any reimbursement to the purchaser(s) in the event of default.

É The purchaser must satisfy himself/herself as to the feasibility of rehabilitating the property. The City of Detroit does not warrant that the rehabilitation of the property(s) is economically feasible.

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- The City of Detroit reserves the right to remove properties from the advertised list without prior notification.

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GENERAL CONDITIONS:

- É The proposals received on advertised properties are considered as **“Offers to Deal,”** only and are subject to administrative and legal review by the City. The Planning and Development Department reserves the right to reject any or all bids. All offers are subject to approval by the Detroit City Council.
- É The prospective purchaser(s) are hereby notified that the Planning and Development Department has not investigated the environmental condition of any properties and makes no warranty or representation regarding the environmental condition of any property offered for sale.
- É Various Federal, State or other City agencies may have information regarding the environmental condition of the properties listed. The prospective purchaser(s) are encouraged to conduct their own investigation regarding the environmental condition of the property.

The City will reserve the right to reject any RFP from applicants who:

- É May be delinquent in Real Property Taxes.
- É Have not shown substantial progress in the rehabilitation of previously acquired properties from the City of Detroit.
- É **If, during the City’s review process, it is found that, in the City’s opinion, a minor modification of a proposal will result in a proposal which better meets the intent of the City’s objectives, the City reserves the right, at its option, to require that said modification be made.**
- É The proposals must be received in the Real Estate Development Division prior to or on the date and time specified in the announcements.
- É Deposits of unsuccessful applicants will be returned by certified mail within 7-10 days from receipt and review of proposals.

PROPERTY WILL BE SOLD SUBJECT TO REHABILITATION:

- É The successful applicants must conform to the City of Detroit Building code, which requires rehabilitation of the structure existing on the property being conveyed and obtain a ***Certificate of Approval*** within 180 days from receipt of the Quit Claim Deed.
- Failure to complete the rehabilitation of the structure within **twelve (12) months** may result in the City of Detroit exercising its right to terminate the sale and repossess the property.
- The sales are subject to purchaser(s) obtaining a **“Certificate of Completion”** from the “Buildings Safety & Engineering Department” according to existing ordinances and upon completion of Rehabilitation, Expansion or Construction of said property within **twelve (12) months** from receipt of **“Quit Claim Deed”** from the City of Detroit.

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CLOSING PROCESS:

- É The successful bidder is required to return a copy of the Inspection Report and the original signed *Affidavit of Compliance Responsibility* within five (5) days of receipt from the Buildings and Safety Engineering Department.
- É Closings must take place by the time specified in this advertisement. Closings that have not taken place by the specified date will result in the cancellation of the sale and all monies deposited forfeited. Non-compliance will indicate a lack of interest and the property will become available to other interested parties.
- É At the closing appointment, purchaser(s) will sign closing documents and pay the balance due. (If the purchaser is financing the property, an **APPROVAL LETTER** (pre-approval from financing institutions will not be accepted). The deed will not be issued until monies have been paid in full.
- É **The City of Detroit does not agree to reimburse the purchaser(s) for any improvements made to the property prior to receipt of the Deed. It will take approximately 45 Days for the “Quit Claim Deed” to be fully executed, recorded and mailed.**

PURCHASE OF PROPERTY (S):

- É Copy of a valid *Certificate of Approval/Compliance* document for each property from the Buildings and Safety Engineering Department should be submitted to this department within twelve (12) months from receipt of the Quit Claim Deed.

PURCHASE OF PROPERTY (S) BY CONTRACTORS:

Contractors who are contracted through the City of Detroit Planning and Development Department - Real Estate Development Division are ineligible to bid on city owned property.

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**CITY OF DETROIT
Planning and Development Department
Development Resource Center
65 Cadillac Square, 2nd Floor
Detroit, MI 48226
For Further information call: (313) 224-0985**

**Proposals are available
Monday, November 9, 2009 through Friday, December 11, 2009
Monday through Friday
8:30 A.M. to 4:30 P.M.**

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***** Please be advised that any cost incurred in the development of this proposal, and any other expenses are entirely the responsibility of the bidding organization and will not be reimbursed in any manner by the City of Detroit.**